

Wiltshire Council

Audit Committee

17th April 2019

Subject: Local Code of Corporate Governance

Executive Summary

Attached as Appendix 1 is a revised draft of the local code of corporate governance (the current draft is protocol 10 of the constitution).

A presentation will be provided on the day outlining a proposed new process for developing the Annual Governance Statement for 2019

Proposal(s)

1. That the Audit Committee note and comment upon the revised local code of corporate governance ahead of consideration by Cabinet and Council.
2. That the Audit Committee note and comment upon the proposed process for developing the Annual Governance Statement for 2019.

Reason for Proposal

Councils are required to develop and maintain an up-to-date local code of governance. Wiltshire's existing code is based on CIPFA guidance which has been updated. A new draft is attached based on the revised principles. This will have to be adopted by full council to replace the current constitution's protocol 10.

It is proposed that progress on delivery against the code is reviewed by officers on a quarterly basis and that this informs the future development of the Annual Governance Statement for consideration by Audit Committee and Cabinet in due course.

Ian Gibbons
Director Legal and Democratic Services (Monitoring Officer)

Becky Hellard
Chief Finance Officer / Section 151 Officer

Robin Townsend
Director Corporate Functions and Digital

Wiltshire Council

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Purpose of Report

1. To propose a new local code of corporate governance.

Background

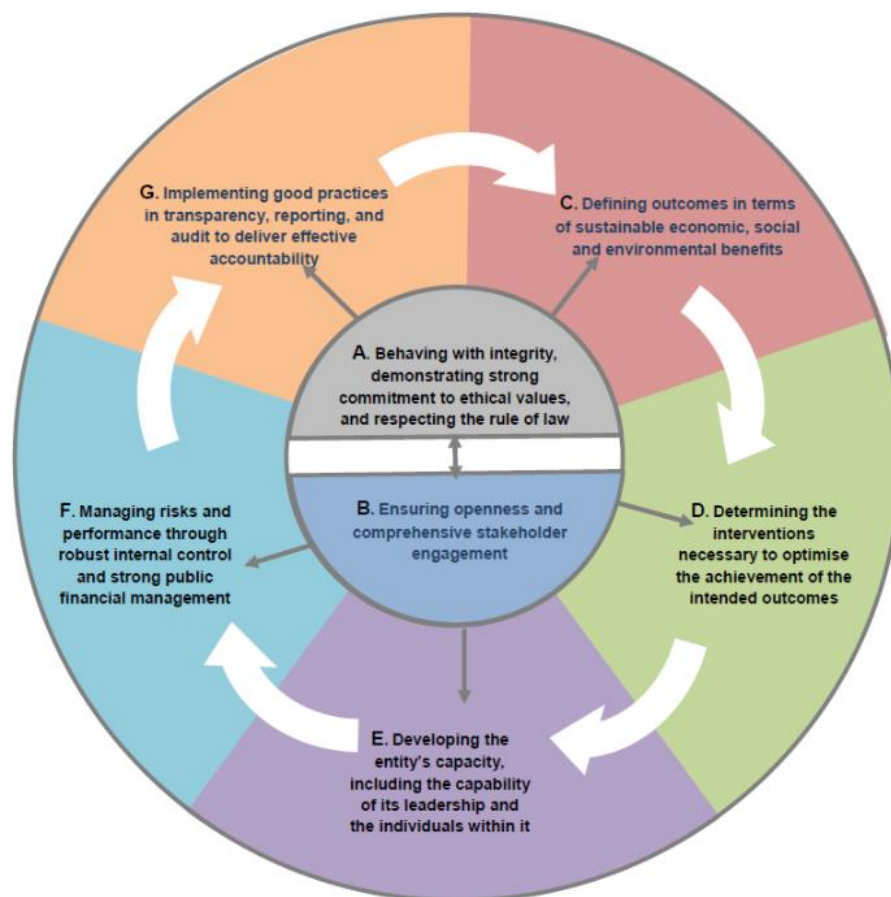
- 1.1 Regulation 6(1)(a) of the Accounts and Audit regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. This is known as an Annual Governance Statement.
- 1.2 The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore, a local authority should provide this statement in accordance with guidance produced by the Chartered Institute of Public Finance and Accounting (CIPFA) 'Delivering Good Governance in Local Government Framework (2016) and reflect this in its local code of corporate governance.
- 1.3 The local code of corporate governance is a small part of the council's overarching assurance framework and there are also important responsibilities to provide a statement of accounts, a constitution that provides for effective decision making, including overview and scrutiny, internal and external audit and to have in place a robust performance and risk management framework. These elements are set out in an annex to the code.

Main Considerations

2. The attached draft local code of corporate governance (Appendix 1) is intended to replace the out of date protocol 10 of the Wiltshire Council

constitution. It reflects updated CIPFA guidance which outlines the following seven principles:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable, economic, social and environmental benefits
- Determining the interventions necessary to optimize the achievement of the intended outcomes
- Developing the Council's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit, to deliver accountability



3. The draft local code of corporate governance provides further levels of detail on which the council can monitor its progress against each of the seven principles.
4. It is proposed that progress on delivery against the code is reviewed by officers on a quarterly basis and that this informs the future development of the Annual Governance Statement for consideration by Audit Committee and Cabinet in due course.

5. The next steps will be for the Annual Governance Statement to be prepared on the basis of the proposed new code for consideration by Audit Committee as an initial draft in June and, following consideration by Cabinet, for Audit Committee to approve the final version as part of the Annual Statement of Accounts in July 2019.

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Appendix 1:
Draft Local Code of Corporate Governance